



**Department of Health and Human Services
The North Carolina Medical Care Commission**

Phone: (919) 855-3750 • Fax: (919) 733-2757

2701 Mail Service Center, Raleigh, N.C. 27699-2701 • 701 Barbour Drive 27603

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MEMORANDUM

TO: Interested Parties

FROM: Lucy H. Bode

DATE: February 12, 2008

SUBJECT: Adult Care Home Rating Rules

Over the past several months the N.C. Medical Care Commission has worked diligently to create rules for the adult care home rating system as required by Session Law 2007-544, Senate Bill 56. In September and October of 2007, the Commission met four times and made a good faith effort to work collaboratively with the advocacy community, families of adult care home residents and providers, to craft rules that would provide fair ratings to adult care homes and at the same time provide the public with information which could be used when selecting a home. The proposed rules were published for public comment on December 3, 2007 with the comment period ending February 1, 2008. In addition, a public hearing was held January 22, 2008 to illicit more comments from the public. In all, over 150 comments were submitted concerning the rules and we are very appreciative of everyone's ideas and input.

As a result of comments received, further changes were made to the rules and the Commission voted to adopt the rules at its February 8, 2008 meeting. The rules will now be submitted to the N.C. Rules Review Commission for consideration at its March 2008 meeting and are scheduled to be effective April 1, 2008 with the first rated certificates being issued in January 2009 in accordance with Section 4 of Session Law 2007-544, Senate Bill 56. Once implemented, the Commission will monitor the rating system rules and may amend and make changes to ensure the ratings provide valuable information to the public and are fair to providers in accordance with the spirit of the legislation.

Some of the comments received questioned the ability of the rating system rules to provide information regarding the quality of services provided by adult care homes; however, it should be noted the law required the rating system to be based primarily on compliance with certain licensing standards with the thought that compliance with standards will promote a level of quality. In addition, while any rating system is only as good as the data which it is comprised, given current resources, the adult care home inspection process conducted by the state is primarily limited to annual inspections and follow-up inspections of serious problems. This inspection process was initiated over a year ago as a result of the General Assembly desiring more oversight of adult care homes from the state level.

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In order to provide more oversight to adult care homes, the Commission recommends the N.C. General Assembly:

- Consider providing more funding and staff for the Division of Health Service Regulation (DHSR) to conduct follow-up inspections of all citations from annual inspections (not just follow-up of serious citations) of adult care homes. Conducting follow-ups of all inspections may allow facilities to improve their rating scores;
- Study ways to maximize and coordinate state and local resources concerning adult care home oversight; and
- Expand the role of local departments of social services in quality improvement programs enhancing their technical assistance role to adult care homes.

Section 3(d) of Session Law 2007-544 requires the Department of Health and Human Services to study a cost structure of rewarding adult care homes, which receive high ratings, and the Department is scheduled to submit this report to the General Assembly by March 1, 2008. We encourage the General Assembly to strongly consider the report and its recommendations and provide funding as recommended to provide encouragement to adult care homes to further strive to achieve high ratings and therefore, provide high quality services to the public.

Thank you for your input and involvement in what we believe is an important process in the effort to assure quality services are provided to adult care home residents.

cc: Bob Fitzgerald
Jeff Horton
Bill Warren
Elizabeth Brown
Diana Barbry
Nadine Pfeiffer

